

Financial Statements Hindawi Limited

For the year ended 31 December 2015

Registered number: 08671628



Hindawi Limited

Company Information

Directors	A Hindawi P Peters
Registered number	08671628
Registered office	Kirkman House 12-14 Whitfield Street London W1T 2RF
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Bankers	HSBC Bank 133 Regent Street London W1B 4HX

Hindawi Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

The following pages do not form part of the statutory financial statements:

Hindawi Limited

Directors' Report

For the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

A Hindawi
P Peters

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Hindawi Limited

Directors' Report

For the year ended 31 December 2015

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board and signed on its behalf.



P Peters
Director

Date: 23 September 2016



Independent Auditor's Report to the Member of Hindawi Limited

We have audited the financial statements of Hindawi Limited for the year ended 31 December 2015, which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Member of Hindawi Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Paul T Putnam (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol

Date: *23 September 2016.*

Profit and Loss Account

For the year ended 31 December 2015

	Note	Year ended 31 December 2015 £	16 months ended 31 December 2014 £
Turnover	1,2	891,135	754,968
Operating expenses		<u>(1,370,017)</u>	<u>(1,280,248)</u>
Loss on ordinary activities before taxation		(478,882)	(525,280)
Tax on loss on ordinary activities	5	<u>165,382</u>	<u>-</u>
Loss for the financial year	13	<u>(313,500)</u>	<u>(525,280)</u>

The notes on pages 7 to 14 form part of these financial statements.

Hindawi Limited

Registered number: 08671628

Balance Sheet

As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	6		1,491,187		74,497
Tangible assets	7		94,180		14,350
			<u>1,585,367</u>		<u>88,847</u>
Current assets					
Debtors	8	221,424		54,421	
Cash at bank		174,647		85,203	
		<u>396,071</u>		<u>139,624</u>	
Creditors: amounts falling due within one year	9	(109,739)		(753,750)	
Net current assets/(liabilities)			<u>286,332</u>		<u>(614,126)</u>
Total assets less current liabilities			<u>1,871,699</u>		<u>(525,279)</u>
Creditors: amounts falling due after more than one year	10		(2,710,478)		-
Net liabilities			<u>(838,779)</u>		<u>(525,279)</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		(838,780)		(525,280)
Shareholders' deficit	14		<u>(838,779)</u>		<u>(525,279)</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P Peters
Director

Date: 23 September 2016

The notes on pages 7 to 14 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The company has made a loss of £313,500 (2014: £525,280) and has net current assets of £286,332 (2014: (£614,126)) at 31 December 2015. Consequently it is reliant on the ongoing financial support of its parent company.

The directors have received written confirmation that this support will be forthcoming for a period of at least 12 months from the date of approval of the accounts and therefore the accounts have been prepared on the going concern basis.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Intangible fixed assets and amortisation

Intangible assets are recorded at cost and are amortised over their useful economic life. Provision is made for any impairment.

The amortisation rate for journal title ownership has been chosen as the typical economic useful life of a journal title in the publishing industry which is around 15 years.

The amortisation rate for domain name ownership has been chosen as 10 years being the typical economic useful life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	25% Straight Line
Fixtures and fittings	-	25% Straight Line
Computer equipment	-	33% Straight Line

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 December 2015

1. Accounting Policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. Turnover

99.9% of the company's turnover (2014 - 100.0%) is attributable to geographical markets outside the United Kingdom.

3. Loss

The loss is stated after charging:

	Year ended 31 December 2015 £	16 months ended 31 December 2014 £
Amortisation - intangible fixed assets	15,500	-
Depreciation of tangible fixed assets:		
- owned by the company	14,208	3,838
Auditor's remuneration	9,000	8,500
Auditor's remuneration - non-audit	40,310	63,380
	<u> </u>	<u> </u>

Notes to the Financial Statements

For the year ended 31 December 2015

4. Directors' remuneration

	Year ended 31 December 2015 £	16 months ended 31 December 2014 £
Aggregate remuneration	<u>673,131</u>	<u>860,774</u>

The highest paid director received total remuneration of £673,131 (2014: £860,774).

5. Taxation

	Year ended 31 December 2015 £	16 months ended 31 December 2014 £
Analysis of tax charge in the year/period		
Current tax		
UK corporation tax charge on loss for the year/period	-	-
Deferred tax (see note 11)		
Origination and reversal of timing differences	<u>(165,382)</u>	-
Tax on loss on ordinary activities	<u>(165,382)</u>	-

Notes to the Financial Statements

For the year ended 31 December 2015

5. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.85%). The differences are explained below:

	Year ended 31 December 2015 £	16 months ended 31 December 2014 £
Loss on ordinary activities before tax	(478,882)	(525,280)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.85%)	(96,957)	(114,870)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,177	-
Capital allowances for year/period in excess of depreciation	1,109	(3,138)
Deferred tax not recognised	79,671	118,008
Current tax charge for the year/period (see note above)	-	-

6. Intangible fixed assets

	Domain names £	Journals £	Total £
Cost			
At 1 January 2015	74,497	-	74,497
Additions	1,530	1,430,660	1,432,190
At 31 December 2015	76,027	1,430,660	1,506,687
Amortisation			
At 1 January 2015	-	-	-
Charge for the year	7,552	7,948	15,500
At 31 December 2015	7,552	7,948	15,500
Net book value			
At 31 December 2015	68,475	1,422,712	1,491,187
At 31 December 2014	74,497	-	74,497

Notes to the Financial Statements

For the year ended 31 December 2015

7. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2015	-	4,588	13,600	18,188
Additions	68,277	3,648	23,896	95,821
Disposals	-	-	(2,208)	(2,208)
At 31 December 2015	<u>68,277</u>	<u>8,236</u>	<u>35,288</u>	<u>111,801</u>
Depreciation				
At 1 January 2015	-	2,786	1,052	3,838
Charge for the year	2,845	1,489	9,874	14,208
On disposals	-	-	(425)	(425)
Correction of prior period	-	(1,734)	1,734	-
At 31 December 2015	<u>2,845</u>	<u>2,541</u>	<u>12,235</u>	<u>17,621</u>
Net book value				
At 31 December 2015	<u>65,432</u>	<u>5,695</u>	<u>23,053</u>	<u>94,180</u>
At 31 December 2014	<u>-</u>	<u>1,802</u>	<u>12,548</u>	<u>14,350</u>

8. Debtors

	2015 £	2014 £
Prepayments and Accrued Income	28,836	51,032
Other debtors	27,206	3,389
Deferred tax asset (see note 11)	165,382	-
	<u>221,424</u>	<u>54,421</u>

**9. Creditors:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	262	262
Amounts owed to group undertakings	5,606	357,639
Other taxation and social security	9,861	9,531
Other creditors	94,010	386,318
	<u>109,739</u>	<u>753,750</u>

Notes to the Financial Statements

For the year ended 31 December 2015

10. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Other creditors	2,710,478	-
	<u>2,710,478</u>	<u>-</u>

11. Deferred taxation

	2015	2014
	£	£
At beginning of year/period	-	-
Recognised during year/period (P&L)	165,382	-
	<u>165,382</u>	<u>-</u>
At end of year/period	<u>165,382</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	(7,219)	-
Tax losses carried forward	172,601	-
	<u>165,382</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 December 2015

12. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

13. Reserves

	Profit and loss account £
At 1 January 2015	(525,280)
Loss for the year	(313,500)
	<u>-</u>
At 31 December 2015	<u>(838,780)</u>

14. Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(525,279)	-
Loss for the financial year/period	(313,500)	(525,280)
Shares issued during the year/period	-	1
	<u>(838,779)</u>	<u>(525,279)</u>

15. Operating lease commitments

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	9,980	14,400
Between 2 and 5 years	67,000	-
	<u>76,980</u>	<u>14,400</u>

Notes to the Financial Statements

For the year ended 31 December 2015

16. Related party transactions

During the year the company made sales of £1,013,522 (2014: £718,336) and purchases of £35,310 (2014: £1,075,975) with Hindawi Publishing Corporation (under common ownership). At the 31 December 2015 £5,606 (2014: £357,639) was owed by Hindawi Limited to Hindawi Publishing Corporation.

During the year A Hindawi (ultimate parent) loaned the company £2,345,126 (2014: £365,352) at the 31 December 2015 £2,710,478 (2014: £365,352) was owed by Hindawi Limited to A Hindawi.

17. Ultimate parent undertaking and controlling party

The ultimate parent company during the year was Hindawi Holdings Limited a company registered in Jersey.

The ultimate controlling related party during the year was A Hindawi by virtue of his majority shareholding in Hindawi Holdings Limited.